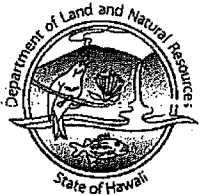


# EXHIBIT B

LINDA LINGLE  
GOVERNOR OF HAWAII



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
LAND DIVISION

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

June 8, 2006

PETER T. YOUNG  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA  
DEPUTY DIRECTOR

DEAN NAKANO  
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES DEPARTMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

## MEMORANDUM

TO: Peter T. Young, Chairperson

THROUGH: Russell Y. Tsuji, Land Division Administrator

FROM: Cyrus C. Chen, Real Estate Appraisal Manager

SUBJECT: In-House Valuation Recommendation – Revocable Permit for General Industrial Purposes

RECEIVED  
LAND DIVISION  
HILO, HAWAII

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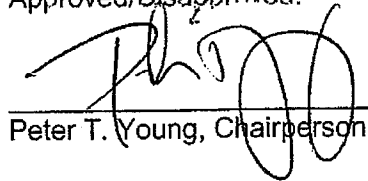
PSF No.: 06HD-104  
Applicant: TCNS Corporation  
Location: Kanoiehua Industrial Lots, Waiakea, South Hilo, Hawaii  
Land Area: 11,164 sq. ft.  
Tax Map Key: (3) 2-2-50: 81  
Char. of Use: General Industrial

We have been requested to provide a monthly rent amount for the issuance of a revocable permit for commercial/industrial purposes on the above-referenced property. This rent amount will be included in staff's submittal to the Board for approval of this permit and will not be effective unless such approval is received.

The subject property was previously occupied by Michael & Joy Mentnech since September 2004 via RP S-7384 for a monthly rent of \$1,411 and prior to that by Orkin Exterminating Company, Inc. via RP S-7216 for a monthly rent of \$1,290. This property has just become vacant. The rent charged to the previous Permittee appears to be a good indicator of the market as this rent has been adjusted the last two years, most recently in January 2006, to account for escalating industrial rents in the South Hilo area.

Therefore, as of June 8, 2006, the monthly market rent for the revocable permit to TCNS Corporation is recommended to be \$1,411 per month.

Approved/Disapproved:



Peter T. Young, Chairperson

JUN 13 2006

Date

cc: District Branch Files  
Central Files